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## **REGULATORS GEARING UP FOR POWER LINE FINAL REVIEWS**

*By Nancy Thornton*

After a summer of relative quiet on a proposal to build a transmission line between Montana and Alberta, the project is again generating news as it heads toward the backstretch of its final regulatory races.

Montana Alberta Tie Ltd. has sold to three wind farm developers its proposed power line's total capacity of 600 megawatts (300 mw in each direction) between Great Falls and Lethbridge, Alta., through eastern Teton County. The company, a subsidiary of Tonbridge Power of Toronto, Ont., reported on the Tonbridge Web site that it would have low costs while it yields \$28.4 million in revenues the first year it is in operation.

The economic impact of the 230-kilovolt overhead line for northcentral Montanans includes royalties from leasing their land to wind farms and the easement payments that landowners along the line's right of way would receive.

The property tax revenue for the local governments and the state would be significant, although not as high as it might have been before the 2007 Legislature and Gov. Brian Schweitzer approved tax abatements for renewable energy projects.

The MATL line's opponents cite potential negative environmental impacts from hundreds of 260-foot-tall wind turbines dotting the landscape. Montana farmers along the proposed route want the line built with the least negative impact, i.e., monopoles along field edges, not H-frame poles in the middle of agricultural fields. Most Canadian farmers along the right of way do not want to see the line built at all because of its impacts on farming and its potential negative health effects from the line's electromagnetic fields.

The MATL line must receive one more approval in Canada, a certification of compliance from the Montana Department of Environmental Quality and a Presidential Permit from the U.S. Department of Energy. DEQ and DOE jointly prepared an environmental impact statement earlier this year, which the DOE considered to be an "environmental assessment" under its federal rules, and the agencies published the document to elicit comments.

Responding to farmers' concerns during the EIS' first comment period, the DOE decided to raise its level of analysis to that of a federal environmental impact statement. The new joint document is designated as DEQ's "supplemental EIS."

"We are working diligently on it and making good progress. We are doing our best to respond to comments," said Tom Ring, who heads the Major Facility Siting Program,

the office coordinating the information that the DEQ director will use to grant or deny MATL's certificate of compliance. Likewise, the DOE would cite the EIS in its decision to grant or deny a Presidential Permit.

This summer, the agencies gathered information on the cost to farm around transmission poles and are expected to add the cumulative impacts of wind farms that would use the proposed line. Ring said the new document would be released this fall, but was unable to set a date.

MATL, for the most part, is bearing the costs of the additional analysis. Tonbridge indicated that the costs of the American regulatory approval process for the first six months of 2007 was \$816,138. MATL estimates the project will cost \$120 million.

Although it was not required to do so, DEQ put the farm cost review on its Web site. The report, dated July 12, concluded that three cost reviews that DEQ had been given from different parties were not conclusive of the true costs to farm around transmission poles.

The reviewers, HydroSolutions Inc. and Fehringer Agricultural Consulting Inc., both of Billings, citing the other estimates as too high, whether monopole or H-frame double poles. The firms drafted an alternative farm cost review, which is detailed in the report.

In brief, the consultants say that the 2007 annual costs to farm around a small monopole, a large monopole and a H-pole in the middle of a field planted with spring wheat are \$105.09, \$107.98 and \$120.57, respectively. The costs to farm at the edge of a field for the three structures, with the H-pole built parallel to the edge, would be \$13.81, \$15.06 and \$14.99, respectively.

The consultants included calculations for continuous crops and for irrigated land as well as the cost if an H-pole were erected perpendicular to the field. To view the complete report, log on to the Web site, [deq.mt.gov](http://deq.mt.gov) and follow the links for the MATL line at the Major Facility Siting Program Web page.

When asked why the farm cost, written in July, was put on the Web page only recently, Ring said that staff shortages were the cause, but he added that DEQ was not required to post the document. He said the review was only one piece of the new data that would be in the supplemental EIS.

Earlier, MATL was prepared to pay for a 45-foot easement at different rates for irrigated, pasture or dry cropland; pay a second fee for each pole, and, based on a farm cost model, pay a third fee to offset the cost of farming around poles. MATL Vice President Bob Williams was unable to respond to questions regarding the costs before the Acantha deadline because he was focused on the forthcoming Canadian regulatory hearings, which start Oct. 16.

Shawn Dolan who with family owns a half section along the proposed route, said his property is in the Conservation Reserve Program, but it will be out of CRP, a federal

program that idles land for 10 years, in a couple of years. He said the field has an irrigation canal, and his concern from the start was that his family could not put in a pivot in the future, if the MATL line runs in the middle of the field. He said he is willing to negotiate with MATL if the company plans monopoles at the field edge.

Dolan said the amount MATL offered for the use of his property last year was "grossly inadequate."

In the EIS, DEQ included MATL's proposed route through Dolan's property and DEQ's preferred route, which avoided Dolan's property. Ring said DEQ has not made a decision on the route, which he says was a tentative preferred route. "The process is not over," he added, but MATL has indicated that the final route is selected and it will be presented as part of the re-issuance of the EIS.

MATL indicated that its final preferred route would have only minor variances of two miles to accommodate specific landowner circumstances and preferences to diminish impacts. The company says the construction company it hired to build the line is "well advanced" in the detailed line design.

That's not what landowner Katrina Martin wants to hear. Although the line would not cross her property near Dutton, she has been active in following the line's progress as it travels the regulatory road and her neighbors would be impacted.

She is in the process of going through the 66-page report detailing spying done by a security firm hired by the Alberta Energy and Utilities Board to follow opponents of a 500-kilovolt power line project in Canada. The group also discussed the MATL line during a conference call about the larger line.

Martin said she was a victim of the spying and in the report was listed as "a lady from Montana" with an asterisk after her name. "It's very chilling to sit in the house and read this report. It gives me the creeps," she said, explaining that a security fire employee infiltrated the group and forwarded e-mails to the Alberta board.

In the aftermath of the spying scandal, the Alberta Energy and Utilities Board canceled its hearings on the 500-kv line set to run between Calgary and Edmonton. Lethbridge attorney Scott Stenbeck, who represents a large group of Canadian landowners opposed to the MATL line, has called for the postponement of the MATL hearings, but as of this writing, the Alberta board has refused.

MATL and opponents of the line were expected to attend hearings next week before the Alberta board, the agency that must approve or deny that province's permit for the line. Canada's National Energy Board has already given approval for the line and MATL was successful in defeating an environmental challenge on appeal.

Martin said Canadian law changes on Jan. 1, 2008, to make it easier for power lines to be approved, so the push to delay the MATL hearings before the Alberta board might have unintended consequences.

Regarding the MATL line, Martin said that the farm cost issue is very important, so important that she wants DEQ to put the cost matrix, when agreed upon, in MATL's certificate of compliance if the project moves forward. Otherwise, she said, the company is under no obligation to pay the farmers for the line's impact and DEQ would lack the enforcement power to make sure it is done.

Martin added that paying a farmer a few hundred dollars per pole must be weighed against the several thousand dollars per wind turbine annually that the other landowners would receive. Wind is a renewable energy, but one has to string hundreds of miles of line over somebody to get to there, she said. In addition, the wind firming electricity back-up that must be bought because the wind does not blow all the time is "very far from clean energy," she said.

The wind energy developers have stayed out of the spotlight so far, and it is unclear what DOE and DEQ would include in the new EIS.

Four companies originally bought the line's capacity and two of those companies have since been bought by a Spanish firm, Naturener, that is developing the wind farm on the McCormack Ranch near Cut Bank. Naturener's attorney recently asked to participate in the Alberta hearings slated to start Oct. 16. Naturener now holds the contractual rights to all 300 megawatts of northbound transmission service on the MATL line. According to a letter filed with the Alberta Energy and Utilities Board, Naturener wants to show how imports via the MATL line of energy, other than wind energy, may help to stabilize the transmission system in Alberta's southern province.

Headquartered in Chicago, Invenergy Wind L.L.C. has contractual rights to 180 megawatts southbound to Great Falls on the MATL line. The company operates the 135-mw Judith Gap wind farm in Wheatland County. Invenergy has not announced where it would lease land for a new wind farm north of Great Falls.

Invenergy and a third company, Greenhunter Energy Inc., are, however, constrained by the fact that NorthWestern Energy does not yet have the electrical capacity on its transmission lines to move MATL's southbound energy past Great Falls.

MATL sold half of its capacity contingent on its getting permitting approvals by Dec. 31 and construction by 2008.

Greenhunter made news recently when it downsized a wind development project near Glasgow from a 170-mw project with 114 turbines to a 50-mw project with fewer than 40 turbines. News reports listed environmental opposition as the reason, however, Greenhunter's filings with the Security and Exchange Commission may indicate additional reasons for the reduction.

Greenhunter indicated that it bought out its former president and chief operating officer using cash and one of its Montana wind projects in the latter part of 2006. Greenhunter then limited expenses to the gathering of wind and other data to evaluate its wind projects, a process it wants to continue for 18 months, in part because it must wait for additional transmission capacity to become available. Greenhunter indicated on its Web site that it is developing a 102-mw wind project with a potential for 68 turbines on the Kimmet Ranch in Glacier County that would tie into the MATL line.

Meanwhile, Montana has a new state office whose mission is to do what it can to get the MATL line approved.

The Department of Commerce's Energy Infrastructure Promotion and Development Office has a \$330,000 annual budget to promote and develop "additional energy distribution capacity so that potential jobs become actual jobs and Montana's tax base is further enhanced for the benefit of its citizens."

According to the mission statement and the lead officer, Chantel D. McCormick, the increased distribution capacity paves the way for clean, green energy creation and utilization, including, wind, bio-fuels, geothermal, biomass and clean coal gasification, liquefaction and power production which use carbon sequestration technologies when possible.

"We are facilitating a working group of state officials and representatives of the MATL line to work to make sure this project comes together; and we have been interfacing with the agencies and the company to ensure that it moves forward in a timely fashion," McCormick said.

She said she did not know what role her office would have in mitigating the effects of the line on farmers in its path. "We are on the side of creating jobs while developing clean green energy and MATL is a big part of that," she said.

Martin does not like the sound of that. "How many advantages do we have to give these energy developers at the expense of the people on the ground?" she asked.

"If we don't engage in a lot of vigilance, the clean and green energy developers are going to be the new copper kings," she said.